BLASSIFIED MESSAGE 1.2 DATE : 13 JUL 55 DIRECTOR  $\subset$ FF:OM : JUL 1 3 1955 ACTION: FE (1-4) INFO : COP (5), PPC (6-7), CI (8-4), CI/OPS (10), PP (11-12), S/C (13-14) FI (15), FI/OPS (16) ) 3128 (IN 23799) 1530Z 13 JUL 55 INFO: ( TO: DIR CITE: ( RE: DIR 12771 (OUT 54159) **PSYCH** 1. JABA UNCERSTANDS PODAM PLANS INITIALLY ESTABLISH ALL-JAPAN MICROWAVE NET INDEPENDENT OF GOVERNMENT FACILITIES. LATER EXPAND NET TO SE ASIA AS FAR AS INDIA. PODAM HAS FOUGHT FOR APPROVAL THIS PROJECT WITH UNIQUE SINGLE-MINDEDNESS FOR MANY YEARS. U.S. CIVIL AERONAUTICS AND DEFENSE DEPARTMENT BELIEVED TO HAVE APPROVED JPN NET BUT LICENSE MUST BE GRANTED BY MATSUDA'S MINISTRY AND LOAN SECURED FROM WORLD BANK. U.3. MICROWAVE MANUFACTURERS WOULD PROBABLY WELCOME CHANCE PERSUADE MATSUDA GRANT LICENSE. 12 JULY MATSUDA'S SECRETARY

2. ( ) WILL ATTEMPT CLARIFY CURRENT STATUS PROJECT IN EARLY TALK WITH ( )

DISCUSSIONS. JABA SPECULATES PODAM MAY FINANCE TRIP.

TOLD ESNAULT MATSUDA PLANS PROCEED U.S. IN AUG FOR MICROWAVE

3. THIS PROJECT IS PART OF PODAM PLAN TO BUILD ASIAN ECONOMIC EMPIRE WHICH WOULD GREATLY STRENGTHEN JPN POSITION

3-E-C-R-E-T

IT IS FORBIDDEN TO MAKE A COPY OF THIS MESSAGE

CODY NO C C

NAZI WAR CRIMES DISCLOSURE ACT

EXEMPTIONS Section 3(b)

(2)(A) Privacy

(2)(3) Methods/Sources 12/

(2)(2) Foreign Relations

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THIS AREA, WHICH HAS APPARENT MILITARY IMPLICATIONS, AND WHICH WILL INEVITABLY AFFECT ODYOKE POSITION THIS AREA.

JABA QUESTION IS WHETHER PODAM PLAN IS IN ODYOKE INTEREST, WHICH QUESTION ONE FOR TOPSIDE RESOLUTION BY ODEARL AND ODACID. IF IN ODYOKE INTEREST, JABA WISHES CONVEY IMPRESSION IT ACTIVELY ON PODAM'S SIDE AND THUS BE ABLE CLAIM SHARE IN SUCCESS OF PLAN. THIS DESIGNED TO IMPROVE POSITION WITH PODAM, ( ) AND ADVANCE CAPABILITY FOR PSYCH AND POLITICAL ACTION. ALTHOUGH JAPA HAS NO DESIRE DIRECTLY PARTICIPATE IN PROJECT, GOOD RELATIONS WITH PODAM MAY IN TIME YIELD LAURICLE INFO.

- 4. REGRETTABLY JABA KMCASHIER FILES, WHICH PERTINENT, RECENTLY DESTROYED. HQS FILES MAY CONTAIN INFO ON INTEREST.
  - 5. REQUEST POLICY GUIDANCE:

END OF MESSAGE

"GABLE SECRETARIAT COMMENT: AT THE DIRECTION OF THE CABLE SECRETARIAT DUTY OFFICER, THIS CABLE HAS BEEN GIVEN DISSEMINATION APPLICABLE TO KAPOK CABLES.

\_S-E-C-R-E-T